

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 OMB-01 TRSE-00 DODE-00 PM-04 H-01

L-03 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 AGRE-00 /073 W

-----045920 150632Z /15

R 122350Z JUL 77

FM AMEMBASSY SUVA

TO SECSTATE WASHDC 6287

INFO AMEMBASSY WELLINGTON 1677

AMEMBASSY CANBERRA

CINCPAC HONOLULU

C O N F I D E N T I A L SECTION 1 OF 2 SUVA 0849

CINCPAC FOR PLAD

E.O. 11652: GDS

TAGS: ELAB, FJ

SUBJECT: FIJI DOCK STRIKE

1. A GENERAL STRIKE BY FIJI'S WATERSIDE WORKERS AND SEAMEN'S UNION HAS NOW MOVED INTO ITS SECOND WEEK, AND THE IMPACT OF THE CLOSURE OF FIJI'S PORTS IS BEING FELT THROUGHOUT THE COMMUNITY. THE MINISTRY OF COMMERCE HAS CALLED A MEET JULY 13 OF THE FEDERATED CHAMBERS OF COMMERCE TO ASSESS THE EFFECTS OF THE STRIKE SO FAR AND TO DEVELOP A PLAN OF ACTION 59 8, CLUDE A RATIONING SYSTEM FOR ESSENTIAL COMMODITIES, IF THE STRIKE IS LIKELY TO CONTINUE.

2. THE STRIKE BY THE DOCKERS IS PRIMARILY OVER THEIR DEMANDS FOR A 25 PERCENT PAY INCREASE, WHICH WOULD BRING THEIR EXISTING HOURLY WAGE FROM \$1.20 TO \$1.50. THE PORTS AUTHORITY OF FIJI, REPRESENTING MANAGEMENT, HAS REJECTED THIS DEMAND BECAUSE IT FAR EXCEEDS THE 10 PERCENT CEILING AGREED UPON BY THE TRIPARTITE COMMITTEE IN MAY. OHE
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DCWORKERS UNION IS AFFILIATED WITH THE FIJI TRADES UNION CONGRESS, WHICH SIGNED THE TRIPARTITE AGREEMENT, BUT THE DOCKWORKERS REPRESENTATIVES HAVE REFUSED TO BE BOUND BY THE 10 PERCENT CEILING.

3. THE FIJI MINISTRY OF LABOR HAS DIRECTED THE DISPUTE TO GO TO ARBITRATION, AND A SUVA LAWYER, RAMANLAL

KAPADIA, HAS BEEN NAMED ARBITRATOR. THE UNION HAS REJECTED PARTICIPATION IN THE ARBITRATION PROCEEDINGS, CLAIMING THAT THE WAGE DISPUTE MUST BE SETTLED BEFORE IT WILL BE BOUND BY ARBITRATION.

4. THE PORTS AUTHORITY OF FIJI (PAF) OFFERED A COMPROMISE WAGE SUPPLEMENTATION PLAN IN THE FORM OF A \$200,000 TRUST FUND TO BE SET UP FOR THE UNION MEMBERS. THIS WAS REJECTED OUTRIGHT BY THE UNION, WHICH RENEWED ITS DEMANDS FOR THE WAGE INCREASE. THE PAF OFFER HAS NOW BEEN WITHDRAWN SINCE THE DISPUTE IS TECHNICALLY UNDER ARBITRATION.

5. TANIELA VEITATA, THE CHIEF NEGOTIATOR AND INDUSTRIAL ADVISOR TO THE DOCKWORKERS, HAS OPENLY FLAUNTED THE GOVERNMENT'S (AND PRIME MINISTER'S) CLAIM THAT THE STRIKE IS ILLEGAL AND THAT THE DOCKS WILL BE KEPT OPEN BY VOLUNTEERS. (SEE TEXT OF PM'S SPEECH OF JULY 6 IN SEPTEL WHICH FOLLOWS.) VEITATA HAS SOUGHT THE SUPPORT OF DOCKWORKERS IN AUSTRALIA AND NEW ZEALAND IN RECOGNIZING THE STRIKE, SO THAT SHIPOWNERS WILL REFRAIN FROM HAVING THEIR SHIPS SERVICED BY VOLUNTEER LABOR IN FIJI FOR FEAR OF REPRISALS AT HOME. THE PRIME MINISTER IS FURIOUS AT WHAT HE TERMS INTERFERENCE IN FIJI'S DOMESTIC AFFAIRS BY THE AUSTRALIAN AND NEW ZEALAND UNIONS, AND HAS DIRECTED THE MINISTER FOR LABOR, RATU DAPID TOGANIVALU, TO PERSONALLY CONTACT

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THE HEADS OF BOTH NATIONAL LABOR FEDERATIONS TO EXPLAIN WHY THE STRIKE IS NONE OF THEIR BUSINESS.

6. FIJI RELIES OVERWHELMINGLY ON SHIPPING FROM AUSTRALIA AND NEW ZEALAND FOR MOST OF ITS IMPORTS. SHOULD THE STRIKE CONTINUE, FIJI WILL HAVE TO LOOK ELSEWHERE, AND IS IN THE PROCESS OF FINDING OTHER SUPPLIERS THAT WOULD BE UNAFFECTED BY THE STRIKE ACTION. MINISTRY OF COMMERCE OFFICIALS HAVE INFORMED US THAT AN ATTEMPT WILL BE MADE TO OBTAIN THE SERVICES OF SHIPPING AGENTS ON U.S. WEST COAST PORTS TO ASSEMBLE BREAK BULK CARGOES FOR SHIPMENT TO FIJI. A SHIP FROM THE U.S., THE FREMANTLE STAR, IS DUE TO ARRIVE IN SUVA ON JULY 16 AND WILL PRESENT THE FIRST REAL TEST OF THE GOVERNMENT'S STAND TO KEEP THE PORTS OPEN. WE ARE TOLD BY THE SUVA AGENT THAT SHE MAY BE ADVISED BY JULY 14 TO OVERCARRY CARGO TO NEW ZEALAND.

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FM AMEMBASSY SUVA

TO SECSTATE WASHDC 6288

INFO AMEMBASSY WELLINGTON

AMEMBASSY CANBERRA

CINCPAC HONOLULU

C O N F I D E N T I A L SECTION 2 OF 2 SUVA 0849

C O R R E C T E D C O P Y (TEXT--PARA SEVEN)

CINCPAC FOR POLAD

7. A SIDELIGHT TO THE STRIKE ACTION, AND UNDOUBTEDLY A MAJOR CONTRIBUTING CAUSE OF THE ILL FEELING BETWEEN THE UNION AND THE GOVERNMENT, IS THAT VEITATA, THE UNION SPOKESMAN, IS A MAJOR FIGURE IN THE RACIST FIJI NATIONALIST PARTY (FNP). THE FNP BADLY UNDERRATED THE GOVERNING ALLIANCE PARTY IN THE LAST GENERAL ELECTIONS, DRAWING UPON RACIST SENTIMENTS AMONG THE ETHNIC FIJIAN COMMUNITY WHICH THE GOVERNMENT OPENLY DEPLORED BUT WAS UNABLE TO STAMP OUT. THIS OPEN CHALLENGE BY VEITATA, IN THE FORM OF A CRIPPLING NATIONWIDE STRIKE, CAN ONLY UNDERSCORE THE FRAGILE NATURE OF THE CARETAKER GOVERNMENT HEADED BY RATU MWRA, UNLESS THE LATTER TAKES FIRM ACTION. IN MANY RESPECTS THE GOVERNMENT'S CREDIBILITY IS ON OHE LINE, AND ITS PERFORMANCE IN RESPECT TO THE STRIKE WILL BE JUDGED AT THE POLLS IN SEPTEMBER.

8. IN THE MEANTIME, THE RIPPLE EFFECT GENERATED BY
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THE STRIKE IS HAVING A WIDER EFFECT THROUGHOUT THE PACIFIC. ISLAND GROUPS BOTH IN AND OUT OF FIJI, WHICH HAVE RELIED UPON FIJI AS AN ENTREPOT AND CENTER FOR SHIPPING AND COMMUNICATIONS FOR THE ENTIRE REGION, WILL

SOON FEEL THE IMPACT OF THE STRIKE. THIS MUST BE A PARTICULARLY FRASTRATING PERIOD FOR TONGA, WHICH IS DIGGING OUT FROM THE RUBBLE OF THE RECENT MASSIVE EARTHQUAKE THAT CAUSED OVER \$1 MILLION IN DAMAGE. TONGA HAS BANNED THE DEVELOPMENT OF LABOR UNIONS, BUT IT MUST STILL FACE THE REPERCUSSIONS OF STRIKE IN FIJI WHICH DIRECTLY AFFECT TONGA'S MAIN CHANNEL OF BUILDING SUPPLIES, FOOD AND OTHER NECESSITIES.

9. IN FIJI, THE STRIKE IF IT CONTINUES WILL HAVE A CRIPPLING EFFECT ON THE SUGAR INDUSTRY AND MAY CAUSE THE CLOSURE OF THE VATUKOULA GOLD MINE. THE FIJI SUGAR INDUSTRY IS CURRENTLY IN THE MIDDLE OF ITS MILLING SEASON, AND UNLESS THE GROWING STOCKS OF SUGAR CAN BE LOADED AND EXPORTED, THE MEAGER STORAGE FACILITIES AVAILABLE IN THE MILLS WILL NOT BE ABLE TO ACCOMMODATE THE SUPPLY. ONE SHIP IN THE PORT OF LAUTOKA, WHICH WAS PARTLY LOADED WITH SUGAR, WAS LEFT WITH ITS HATCHES OPEN BY THE DOCKWORKERS AND THE ENSUING RAINS HAVE LEFT THE CARGO IN A MESS. CRUCIAL SUPPLIES OF SODIUM CYANIDE, USED TO SEPARATE GOLD FROM OTHER ELEMENTS AT THE MINE, ARE STILL BEING KEPT OFFSHORE, AND UNLESS THE ORE CAN BE WORKED, THE MINE WILL CLOSE. WITHOUT EVEN CONSIDERING THE HARDSHIPS CAUSED BY THE DWINDLING SUPPLIES OF FOOD AND PRECIOUS COMMODITIES LIKE KEROSENE THAT ARE NOT BEING SENT TO THE OUTER ISLANDS, THE STRIKE WILL OBVIOUSLY HAVE A DEVASTATING IMPACT ON FIJI'S DEVELOPMENT PLANS IF IT CONTINUES. FIJI CAN ILL AFFORD TO LOSE THE FOREIGN EXCHANGE GENERATED BY THE SUGAR AND GOLD INDUSTRIES, CONFIDENTIAL

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AND THIS IS A CRITICAL TIME FOR THEM.

10. THAT IS THE APPEAL THAT THE PRIME MINISTER IS TRYING TO CONVEY TO THE AUSTRALIAN AND NEW ZEALAND GOVERNMENTS IN HIS EFFORTS TO ENLIST THEIR SUPPORT AGAINST LABOR SOLIDARITY AMONG THE THREE COUNTRIES. ALL OF THEIR ASSISTANCE TO AID FIJI'S DEVELOPMENT WILL BE UNDERCUT BY THE ACTIONS OF THE AUSTRALIAN AND NEW ZEALAND UNIONS IN THEIR SUPPORT OF THE STRIKE. THE U.S. IS NOT DIRECTLY INVOLVED SO FAR, BUT AS THE STRIKE IN A GENERAL SENSE AFFECTS THE ECONOMIC DEVELOPMENT OF THE REGION, WE SHOULD BE PREPARED TO ASSIST WHERE FEASIBLE TO ALLEVIATE THE SETBACKS CAUSED BY THE STRIKE. EVEN WITH AN EARLY END TO THE STRIKE, WHICH AT THE PRESENT TIME DOES NOT APPEAR LIKELY, FIJI AND ITS PACIFIC ISLAND NEIGHBORS WILL BE PAYING THE COSTS OF THE STRIKE FOR A LONG TIME TO COME. FLANEGIN

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